

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7216**

**BILL NUMBER: SB 386**

**NOTE PREPARED: Jan 6, 2009**

**BILL AMENDED:**

**SUBJECT:** Background Checks by Local Units.

**FIRST AUTHOR:** Sen. Deig

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Indiana State Police Department (ISP) to establish a criminal history flat fee program under which a county, municipality, or township is entitled to the release of an unlimited number of limited criminal history records after paying a yearly flat fee to ISP. The bill also provides that ISP shall set the flat fee and is not required to charge every unit the same fee. The bill makes other changes and conforming amendments.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** The Indiana State Police Department may experience an increase in workload to the extent that local units participating in the flat fee program make more requests for limited criminal history information than what they otherwise might have made.

**Background Information:** A name-based limited criminal history check is defined as a criminal history check that searches within the state any criminal activity associated with a person's legal name(s). This check must include (1) a disposition and (2) a photograph of the person who is the subject of the limited criminal history, if a photograph is available. The term includes information about any arrest or criminal charge that occurred less than one year before the date of a request even if no disposition has been entered. A limited criminal history background check is obtained through the ISP.

**Explanation of State Revenues:** This bill may decrease state revenue received by ISP to the extent that local units defined in the legislation elect to participate in the flat fee program. Actual increases in revenue are unknown as ISP is granted by the bill the ability to establish annual program participation fees at a rate that

is reasonably related to the cost of releasing criminal history information and can charge different fees to different local units. Fees charged to participating local units may be calculated based upon expected number of requests to be made.

ISP estimates that the cost for each limited criminal history check is approximately \$4.45 as measured through staffing costs. ISP estimates that local units that may decide to participate in the flat fee program may make as many as 389,000 requests for limited criminal history information. Revenue that would be received from the flat fee program is estimated to be \$1.7 M. It should be noted that any revenue received from the flat fee program is not an increase in state revenue, but would cover the costs to provide limited criminal history to participating local units. The state would experience a decrease in revenue to both the General Fund and the Indiana Office of Technology (IOT) Portal Fund to the extent that local units pay less expensive fees as a result of participating in the flat fee program who otherwise would have paid the higher fees described in the table below. The actual decrease in state revenue is indeterminable.

**Background Information:** Currently, fees vary for limited criminal history background checks and depend on the method in which the information is obtained. Revenue from fees collected is deposited into the state General Fund and the IOT Portal Fund.

<b>Limited Criminal History Background Check Fees</b>				
<b>Type of Fee</b>	<b>Information Obtained Through</b>	<b>Amount of Fee</b>	<b>Amount of Fee Deposited into State General Fund</b>	<b>Amount of Fee Deposited into IOT Portal Fund</b>
<b>AccessIndiana (Subscriber)</b>	AccessIndiana Website	\$15	\$7	\$8
<b>AccessIndiana (Non-Subscriber)</b>	AccessIndiana Website	\$16.32	\$7	\$9.32
<b>Mail/In-Person</b>	Mail; In-Person	\$7	\$7	\$0
<b>Partial Exemption</b>	AccessIndiana Website; Mail; In-Person	\$7	\$7	\$0
<b>Full Exemption</b>	AccessIndiana Website; Mail; In-Person	\$0	\$0	\$0

**Background Information:** In FY 2007, ISP reports that criminal background checks generated \$2.3 M in revenue for the General Fund.

**Explanation of Local Expenditures:** Currently, some local units might be exempt from paying limited criminal history information fees, whereas others may be subject to the fees. It is unknown how many local units pay and do not pay fees associated with obtaining limited criminal history information. It is assumed that local units that do not pay fees would not participate in the program, whereas local units that do pay fees would participate in the program to capitalize on cost savings.

This bill may decrease local expenditures to the extent that cost savings are experienced by participating

local units. Actual cost savings are indeterminable, but would vary depending upon (1) the number of limited criminal history information requests made before flat fee program participation, (2) fees paid by the local unit for limited criminal history information before program participation, (3) the number of requests participating local units will make, and (4) the annual flat fee ISP charges the local unit.

**Explanation of Local Revenues:**

**State Agencies Affected:** ISP.

**Local Agencies Affected:** All local units.

**Information Sources:** Captain Sherry Beck, ISP; Jeff Wardlow, ISP.

**Fiscal Analyst:** Bill Brumbach, 232-9559.